GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2907
ANSWERED ON:02.12.2016
Foreign Capital Inflows and Outflows
Hegde Shri Anant Kumar Dattatreya

Will the Minister of FINANCE be pleased to state:

2907: SHRI ANANT KUMAR HEGDE
Will the Minister of FINANCE be pleased to state:

(a) the details of foreign capital inflows and outflows from India during the last three years and current year;
(b) whether the Government is aware of increase in foreign capital outflow compared to the inflows, and
(c) if so, the details thereof and reasons therefor and steps taken to check the trend?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)
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(a) The details of foreign capital inflows and outflows from India during the last three years and current year is placed at the Annex.
(b) & (C) Government in consultation with regulators have taken a number of steps to boost the inflow of foreign capital to the country and check outflow. The limits for Foreign Portfolio investment (FPI) in the Central Government securities are being increased in phases to reach 5 per cent of the outstanding stock by March 2018. FPIs are also permitted to invest in units of Real Estate Investment Trusts, Infrastructure Investment Trusts and Category III Alternative Investment Funds. All investments by FPIs in Central Government Securities and State Development Loans (SDL) and corporate bonds are required to be made in securities having a minimum residual maturity of 3 years. Changes introduced in the Foreign Direct Investment Policy (FDI) policy to promote FDI inflows include increase in sectoral caps, bringing more sectors under automatic route and easing of conditionalities for foreign investment.
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Annex referred to in part (a) of the Lok Sabha unstarred question no. 2907
(US$ million)

Item	Apr-Mar 2013-14			Apr-Mar 2014-15			Apr-Mar 2015-16			Apr-Jun 2016-17		
	Credit (Inflow)	Debit (Outflow)	Net	Credit (Inflow)	Debit (Outflow)	Net	Credit (Inflow)	Debit (Outflow)	Net	Credit (Inflow)	Debit (Outflow)	Net
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Foreign Investment (a+b)	246,766	220,380	26,386	308,556	235,100	73,456	276,433	244,542	31,891	72,115	65,924	6,192
a) Foreign Direct Investment	43,582	22,018	21,564	51,796	20,544	31,251	59,878	23,857	36,021	14,174	10,086	4,088
b) Portfolio Investment	203,184	198,362	4,822	256,761	214,556	42,205	216,555	220,685	-4,130	57,941	55,838	2,103
2.Loans (a+b+c)	134,836	127,071	7,765	123,355	120,170	3,184	120,323	124,957	-4,634	26,139	27,908	-1,769
a) External Assistance	4,659	3,627	1,032	5,780	4,054	1,725	6,123	4,619	1,505	1,860	1,179	681
b) Commercial Borrowings	30,060	18,283	11,777	27,847	26,276	1,570	24,157	28,686	-4,529	3,280	5,381	-2,100
c) Short Term To India	100,117	105,161	-5,044	89,729	89,840	-111	90,043	91,653	-1,610	21,000	21,349	-349
3. Banking Capital	108,049	82,601	25,449	90,094	78,476	11,618	88,884	78,254	10,630	21,139	21,288	-148
of which: Non-Resident Deposits	87,750	48,858	38,892	63,262	49,205	14,057	59,988	43,936	16,052	11,573	10,195	1,378
4. Other Capital*	22,171	32,984	-10,813	28,914	27,886	1,028	24,419	21,177	3,242	9,761	6,931	2,830
Total Capital Account (1 to 4)	511,823	463,035	48,787	550,919	461,633	89,286	510,058	468,930	41,128	129,155	122,050	7,104

P: Preliminary. PR: Partially Revised. *: Include Rupee Debt Service.
Source: Balance of Payments Statistics, RBI